

Message Text

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ACTION NEA-10

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TO USDOC WASHDC
SECSTATE WASHDC 5506

UNCLAS DACCA 4044

STATE PASS NIH FOR DR. DENNIS JOHNSON

E.O. 11652: N/A
TAGS : EINV, BTIO, BG
SUBJECT : INVESTMENT OPPORTUNITY:
BANGLADESH FOREST INDUSTRIES
DEVELOPMENT CORPORATION

1. BDG MINISTRY OF FOREST, FISHERIES AND LIVESTOCK HAS
ASKED THE EMBASSY TO INFORM AMERICAN FIRMS OF AN INVITATION
BY THE BANGLADESH FOREST INDUSTRIES DEVELOPMENT CORPORATION
(BFIDC) FOR PRIVATE FOREIGN INVESTMENT IN A TIMBER
PROJECT IN BANGLADESH. THE POTENTIAL INVESTMENT MAY
BE IN THE FORM A JOINT-VENTURE WITH BFIDC OR A WHOLLY
OWNED FOREIGN INVESTMENT, AFTER COMPLETING NECESSARY
FORMALITIES UNDER BANGLADESH LAWS.

2. THE PROJECT WILL INCLUDE: (A) MECHANICAL EXTRACTION
OF TIMBER AND SMALL WOOD FROM ABOUT 540,000 ACRES IN
VARIOUS AREAS OF CHITTAGONG HILL TRACTS IN SOUTHEAST
BANGLADESH WITHIN 20 YEARS. A MAXIMUM OF 26,800 ACRES
ARE TO BE CLEAR - FELLED AND ALL MERCHANTABLE TIMBER AND
SMALL WOOD ARE TO BE EXTRACTED FOR MARKETING
ANNUALLY (24,00 MILLION CUBIC FEET OF TIMBER AND
2.40 MILLION CUBIC FEET OF SMALL WOOD ARE ESTIMATED
TO BE AVAILABLE AROM THE AREAS ANNUALLY).

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(B) HARVESTING OF TIMBER AND SMALL WOOD FROM 200,000
ACRES OF FOREST AREAS IN THE SUNDARBANS REGION IN
THE SOUTHWEST PORTION OF BANGLADESH WITHIN 5 YEARS
AT AN ANNUAL RATE OF 40,000 ACRES (4.40 MILLION
CUBIC FEET OF SUNDARI AND OTHER TIMBER AND SMALL
WOOD ARE EXPECTED TO BE AVAILABLE FORM THE AREAS
ANNUALLY).

(C) FELLING OF 300 ACRES OF MATURE TEAK PLANTATION IN KAPTAI AREA OF THE CHITTAGONG HILL TRACTS IN ONE YEAR. (1.50 MILLION CUBIC FEET OF TIMBER AND SMALL WOOD ARE EXPECTED TO BE AVAILABLE FROM THIS AREA).

(D) PLANTING OF FELLED AREAS WITH GOVERNMENT APPROVED SPECIES AND TENDING THEM FOR 5 YEARS ACCORDING TO GOVERNMENT PLAN, AND

(E) PREPARATION OF FEASIBILITY STUDIES AND ESTABLISHING SUCH INTEGRATED FOREST BASED INDUSTRIES AS SAW MILLS, SEASONING KILNS, WOOD PRESERVATION PLANTS, PLYWOOD FACTORIES, HARDBOARD FACTORIES, PARTICLE BOARD FACTORIES, AND FURNITURE FACTORIES WITHIN THREE YEARS OF THE DATE OF SIGNING THE AGREEMENT.

3. THE FIRM SHOULD START OPERATION FROM THE WINTER OF 1977-78 (OCTOBER-FEBRUARY) AND A MINIMUM EXPORT TO BE MUTUALLY AGREED UPON BY THE GOVERNMENT AND THE FIRM IS TO BE GUARANTEED WITHIN THE YEAR. THE FIRM IS EXPECTED TO EXPORT \$65 MILLION TIMBER EACH YEAR IN 1978-79 AND 1979-80. THE ANNUAL EXPORT FROM 1980-81 AND ONWARD SHOULD NOT BE LESS THAN \$100 MILLION.

4. FOR DETAILS OF WORK, MAPS, THE DEBT EQUITY RATIO AND OTHER TERMS AND CONDITIONS, INTERESTED PARTIES SHOULD WRITE DIRECTLY TO THE CHAIRMAN, BANGLADESH UNCLASSIFIED

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FOREST INDUSTRIES DEVELOPMENT CORPORATION, 186 CIRCULAR ROAD, MOTIJHEEL COMMERCIAL AREA, DACCA (CABLE: FIDCOR, DACCA). INTERESTED PARTIES SHOULD SEND THEIR PROPOSALS WITH TERMS AND CONDITIONS TO REACH CHAIRMAN. BFIDC BY AUGUST 31, 1977. THE U.S. PROPOSAL SHOULD CONTAIN INFORMATION ABOUT THE EXPERIENCE AND FINANCIAL STANDING OF THE ORGANIZATION, FINANCIAL ARRANGEMENTS, INVESTMENT AND EXPECTED REVENUE, FOREST AREAS OF INTEREST, EXPORT MARKETING ARRANGEMENTS AND A WORK PLAN FOR ATLEAST A PERIOD OF 5 YEARS FOR SPECIFIED AREAS. EIGHT COPIES OF THE NOTICE FOR INTERNATIONAL OFFERS ISSUED BY BFIDC ARE BEING AIRPOUCHED TO COMMERCE. BERGESEN

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Message Attributes

Automatic Decaptioning: X
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Sent Date: 22-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
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